



May 23, 2014

The Honorable Cheryl A. LaFleur  
Acting Chairman  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

RE: FERC Docket Nos. ER14-1386 and ER14-1729

Dear Chairman LaFleur:

We are writing in support of the application of the California Independent System Operator and NV Energy to implement a regional Energy Imbalance Market. We support the creation of this market as an important step to capture the benefits of regional coordination and build a clean energy future.

The Energy Imbalance Market will help grid managers in Nevada, California, and five other states optimize renewable energy resources, balance power supplies, enhance grid reliability, and reduce power costs for customers by taking advantage of a larger, multi-state pool of geographically diverse energy resources.

For example, when weather in one part of the Western United States is not conducive to renewable energy generation, the system can access resources across a larger market to offset that decreased output. Such regional coordination will be increasingly important as we integrate greater amounts of renewable energy into our electric system. By allowing operators to dispatch the most economic resources from a broader combined area, the EIM will improve reliability, promote competition, and save consumers an estimated \$15-\$29 million per year.

The proposed market will be similar to, and integrated with, CAISO's existing market processes. The design of the market is the result of an extensive stakeholder process and includes careful market safeguards to minimize risks to participants.

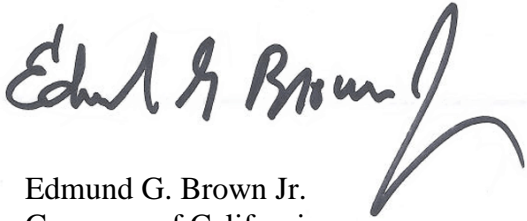
The Honorable Cheryl A. LaFleur

May 22, 2014

Page 2

We urge you to approve the CAISO and NV Energy application and help us create a clean energy future and a more reliable and modern electric grid.

Sincerely,

A handwritten signature in black ink, appearing to read "Edmund G. Brown Jr.", with a large, sweeping flourish extending from the end of the signature.

Edmund G. Brown Jr.  
Governor of California

A handwritten signature in black ink, appearing to read "Brian Sandoval", with a large, sweeping flourish extending from the end of the signature.

Brian Sandoval  
Governor of Nevada